

**Mark David Goss**  
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July 28, 2011

Via Hand-Delivery

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602

RECEIVED

JUL 28 2011

PUBLIC SERVICE  
COMMISSION

Re: PSC Case No. 2011-00148

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and ten redacted copies of the responses of East Kentucky Power Cooperative, Inc., (“EKPC”) to the Commission Staff’s Information Request from the Informal Conference held on July 19, 2011. Also enclosed are an original and ten copies of EKPC’s Petition for Confidential Treatment of Information (“Petition”) regarding the response to Request 1. One unredacted copy of the designated confidential portion of the response to Request 1, which is the subject of the Petition, is enclosed in a sealed envelope.

Additionally, please find enclosed an original and ten copies of the response of Shelby Energy Cooperative, Inc. to the Commission Staff’s Information Request from the Informal Conference held on July 19, 2011.

Very truly yours,

  
Mark David Goss  
Counsel

Enclosures

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

JUL 28 2011

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE )  
MANAGEMENT TARIFFS BY EAST KENTUCKY )  
POWER COOPERATIVE, INC. AND 11 OF ITS )  
MEMBER DISTRIBUTION COOPERATIVES )

CASE NO.  
2011-00148

PETITION FOR CONFIDENTIAL  
TREATMENT OF INFORMATION

Comes now the petitioner, East Kentucky Power Cooperative, Inc. ("EKPC") and, as grounds for this Petition for Confidential Treatment of Information (the "Petition"), states as follows:

1. This Petition is filed in conjunction with the filing of certain information in its response to Request 1 (Page 2 of 2) of Commission Staff's Information Request from Informal Conference held on July 19, 2011, and relates to confidential information contained in the subject response that is entitled to protection pursuant to 807 KAR 5:001 Section 7 and KRS §61.878(1)(c)1 and §61.878(1)(c)2c.

2. The information designated as confidential in the subject Response describes reflects End Use Survey information from retail members of EKPC's member systems. The open disclosure of such information could allow competitors an unfair commercial advantage over EKPC and its member systems. As such this information is confidential and not subject to public disclosure pursuant to KRS §61.878(1)(c)1.

3. The subject information is also entitled to protection pursuant to KRS §61.878(1)(c)2c, as records generally recognized as confidential or proprietary which are

confidentially disclosed to an agency in conjunction with the regulation of a commercial enterprise.

4. Along with this Petition, EKPC has enclosed one copy of Response 1, Page 2 of 2, with the confidential information identified by highlighting or other designation, and 10 copies of the same exhibit, with the confidential information redacted. The identified confidential information is not known outside of EKPC and is distributed within EKPC only to persons with a need to use it for business purposes. It is entitled to confidential treatment pursuant to 807 KAR 5:001 Section 7 and the various sections of KRS 61.878 delineated above.

WHEREFORE, EKPC respectfully requests the Public Service Commission to grant confidential treatment to the identified information and deny public disclosure of said information.

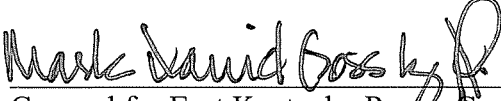
Respectfully submitted,

A handwritten signature in black ink that reads "Mark David Goss" followed by a stylized monogram or initials.

Mark David Goss  
Frost Brown Todd LLC  
250 West Main Street, Suite 2800  
Lexington, KY 40507-1749  
(859) 231-000—Telephone  
(859) 231-0011—Facsimile  
Counsel for East Kentucky Power Cooperative, Inc.

**CERTIFICATE OF SERVICE**

This is to certify that an original and 10 copies of the foregoing Petition for Confidential Treatment of Information in the above-styled case were hand-delivered to the Office of Jeffrey Derouen, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 on July 28, 2011.

  
\_\_\_\_\_  
Counsel for East Kentucky Power Cooperative, Inc.

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JUL 28 2011

PUBLIC SERVICE  
COMMISSION

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>THE FILING OF NEW DEMAND SIDE</b>	)	
<b>MANAGEMENT TARIFFS BY EAST KENTUCKY</b>	)	<b>CASE NO.</b>
<b>POWER COOPERATIVE, INC. AND 11 OF ITS</b>	)	<b>2011-00148</b>
<b>MEMBER DISTRIBUTION COOPERATIVES</b>	)	

**RESPONSES OF EAST KENTUCKY POWER COOPERATIVE, INC.  
TO COMMISSION STAFF'S INFORMATION REQUEST FROM  
INFORMAL CONFERENCE HELD ON JULY 19, 2011**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE FILING OF NEW DEMAND SIDE	)	
MANAGEMENT TARIFFS BY EAST KENTUCKY	)	CASE NO.
POWER COOPERATIVE, INC. AND 11 OF ITS	)	2011-00148
MEMBER DISTRIBUTION COOPERATIVES	)	

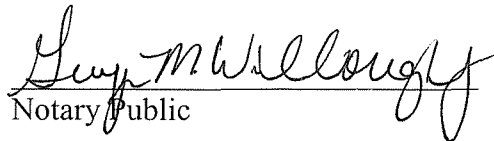
CERTIFICATE

STATE OF KENTUCKY )  
 )  
 COUNTY OF CLARK )

David M. Crews, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff's Information Requests from the Informal Conference held on July 19, 2011 in the above referenced case, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
 \_\_\_\_\_

Subscribed and sworn before me on this 28<sup>th</sup> day of July, 2011.

  
 Notary Public

MY COMMISSION EXPIRES NOVEMBER 30, 2013  
 NOTARY ID #409352







**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2011-00148**

**DEMAND SIDE MANAGEMENT TARIFFS**

**RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S INFORMATION REQUEST FROM INFORMAL**

**CONFERENCE HELD ON 07/19/11**

**REQUEST 1**

**RESPONSIBLE PARTY: David M. Crews**

**Request 1.** Provide the electric furnace saturation data of EKPC member systems.

**Response 1.** The electric furnace saturation data of EKPC's member systems is provided on page 2 of this response.

	Saturation of Electric Heat	Electric Heating System Used Most Often					
		Electric Furnace	Electric Heat Pump	Geo-thermal	ETS	Electric Built In Units	Portable Electric Heaters
Big Sandy							
Blue Grass							
Clark							
Cumberland Valley							
Farmers							
Fleming-Mason							
Grayson							
Inter-County							
Jackson							
Licking Valley							
Nolin							
Owen							
Salt River							
Shelby							
South Kentucky							
Taylor County							
<b>EKPC</b> (weighted average)	<b>59.1%</b>	17.2%	30.6%	3.2%	0.9%	5.9%	1.2%

*Note: Totals may not equal sum of components due to rounding.*

**Source: 2009 EKPC End Use Survey**



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2011-00148**

**DEMAND SIDE MANAGEMENT TARIFFS**

**RESPONSE TO INFORMATION REQUEST**

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**CONFERENCE HELD ON 07/19/11**

**REQUEST 2**

**RESPONSIBLE PARTY: David M. Crews**

**Request 2.** Provide the California test information for the Commercial & Industrial Advanced Lighting Program and Industrial Compressed Air Program.

**Response 2.** Cost/benefit information regarding the Commercial & Industrial Advanced Lighting Program is included on page 2 of this response. Cost/benefit information regarding the Industrial Compressed Air Program is included on page 3 of this response.

## Commercial Lighting Including Advanced Measures/LED exit signs 2011

Distribution System Benefits		Distribution System Costs	
Power Bill Declines	\$12,441,475	Revenue Declines	(\$18,279,393)
Rebates From EK	\$2,517,392	Administrative Costs	\$0
		Rebates Paid To Consumers	(\$1,006,012)
<b>Total Benefits</b>	<b>\$14,958,867</b>	<b>Total Costs</b>	<b>(\$19,285,405)</b>
Benefit / Cost Ratio: 0.78			

Participant Benefits		Participant Costs	
Electric Bill Declines	\$11,444,950	Up Front Investment	(\$3,917,668)
Rebates From Distribution System	\$759,354		
Reductions in O&M costs	\$0		
<b>Total Benefits</b>	<b>\$12,204,304</b>	<b>Total Costs</b>	<b>(\$3,917,668)</b>
Benefit / Cost Ratio: 3.12			

Total Resource Benefits		Total Resource Costs	
Avoided Energy Costs	\$12,173,626	Up Front Customer Investment	(\$5,037,052)
Avoided Gen Capacity Costs	\$2,925,046	Distribution System Admin. Costs	\$0
Avoided Transmission Expense	\$509,827	EK Administrative Costs	(\$359,442)
Reduced Customer O&M costs	\$0		
<b>Total Benefits</b>	<b>\$15,608,499</b>	<b>Total Costs</b>	<b>(\$5,396,493)</b>
Benefit / Cost Ratio: 2.89			

EK Benefits		EK Costs	
Avoided Energy Costs	\$12,173,626	Decrease In Revenue	(\$12,441,475)
Avoided Gen Capacity Costs	\$2,925,046	Rebates Paid	(\$2,517,392)
Avoided Transmission Expense	\$509,827	Administrative Costs	(\$359,442)
<b>Total Benefits</b>	<b>\$15,608,499</b>	<b>Total Costs</b>	<b>(\$15,318,309)</b>
Benefit / Cost Ratio: 1.02			

## Industrial Compressed Air Program 2011

Distribution System Benefits		Distribution System Costs	
Power Bill Declines	\$20,086,726	Revenue Declines	(\$30,759,569)
Rebates From EK	\$2,523,279	Administrative Costs	(\$841,093)
		Rebates Paid To Consumers	\$0
<b>Total Benefits</b>	<b>\$22,610,006</b>	<b>Total Costs</b>	<b>(\$31,600,662)</b>
Benefit / Cost Ratio: 0.72			

Participant Benefits		Participant Costs	
Electric Bill Declines	\$19,434,455	Up Front Investment	(\$6,433,354)
Rebates From Distribution System	\$0		
Reductions in O&M costs	\$0		
<b>Total Benefits</b>	<b>\$19,434,455</b>	<b>Total Costs</b>	<b>(\$6,433,354)</b>
Benefit / Cost Ratio: 3.02			

Total Resource Benefits		Total Resource Costs	
Avoided Energy Costs	\$19,252,563	Up Front Customer Investment	(\$8,523,077)
Avoided Gen Capacity Costs	\$4,204,700	Distribution System Admin. Costs	(\$841,093)
Avoided Transmission Expense	\$737,596	EK Administrative Costs	(\$215,665)
Reduced Customer O&M costs	\$0		
<b>Total Benefits</b>	<b>\$24,194,859</b>	<b>Total Costs</b>	<b>(\$9,579,835)</b>
Benefit / Cost Ratio: 2.53			

EK Benefits		EK Costs	
Avoided Energy Costs	\$19,252,563	Decrease In Revenue	(\$19,806,315)
Avoided Gen Capacity Costs	\$4,204,700	Rebates Paid	(\$2,523,279)
Avoided Transmission Expense	\$737,596	Administrative Costs	(\$215,665)
<b>Total Benefits</b>	<b>\$24,194,859</b>	<b>Total Costs</b>	<b>(\$22,545,259)</b>
Benefit / Cost Ratio: 1.07			



**EAST KENTUCKY POWER COOPERATIVE, INC.**

**PSC CASE NO. 2011-00148**

**DEMAND SIDE MANAGEMENT TARIFFS**

**RESPONSE TO INFORMATION REQUEST**

**COMMISSION STAFF'S INFORMATION REQUEST FROM INFORMAL  
CONFERENCE HELD ON 07/19/11**

**REQUEST 3**

**RESPONSIBLE PARTY: Debra J. Martin**

**Request 3.** Why is Shelby Energy Cooperative's ("Shelby") tariff filing for the Advanced Lighting Program tariff different from East Kentucky Power Cooperative ("EKPC") and the other member cooperative tariffs?

**Response 3.** Shelby decided to simplify the tariff and make it more easily understood on the exact amount of eligible rebate for commercial and industrial members. As provided in EKPC's tariff, the rebate for a commercial member is limited to \$15,000 for each upgrade and for an industrial member; the rebate is limited to \$30,000 per upgrade. A statement is provided in the EKPC tariff that the limit is the "(total of both customer and distribution system rebates)". However, we thought our version of the tariff better clarified the eligible amount to the commercial or industrial member by stating it exactly and avoiding possible confusion.

The amount of the total rebate to a Shelby commercial and industrial member was calculated by taking the entire incentive paid by EKPC for each kW of load reduction to the end customer of \$213 and to the member cooperative for lost revenue in the amount \$320 which



totaled \$533 paid for each kW of load reduction on Shelby's system. The rebate limit for a commercial account of \$15,000 per upgrade was then divided by the total kW incentive of \$533 resulting in a maximum of 28 kW reduction for a commercial member in the amount of approximately \$6,000. The same process was used for the industrial upgrade limit of \$30,000 which was divided by \$533 and resulted in a maximum of 56 kW reduction for a rebate of \$12,000.